

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

==04/98

- (2) The reimbursement amount for Specialized Care is determined according to the calculation method describing reimbursement for Direct Services under Program Component ~~(subsection I. 3. c. iii. (1) (B))~~ found in subsection III.G.3.c.iii.

07/96

- (D) Related Program Costs - These costs include program materials, equipment, consultants and similar items necessary for the individual's DT program. The amount paid per client per day is determined as follows: Add the amounts calculated for Direct Services, QMRP and Specialized care, and multiply this sum by the Developmental Training Regional Adjuster. The Regional Adjuster for DT programs in geographic area 6, 7 and 8 is 1.2; for all other geographic areas, the Regional Adjuster is 1.0. The product is then multiplied by .10.

==04/98

- (E) Total Program Component Per Diem - The total Program Component rate will be the sum of the amounts for the four determinants ~~(subsection I. 3. c. iii. (1), (2), (3) and (4))~~ above found in subsection III.G.3.c.iii.

iv. Agency Component

The Agency Component per diem will be a flat rate for costs of capital, support and transportation. Transportation is the conveyance of clients from the residential or long term care facility to the DT site, and is the responsibility of the provider of the DT program services. For clients who have special transportation needs, such as vehicles modified for wheel chairs and positioning equipment, an upward adjustment will be made to the Agency Component per diem. Clients who require special transportation are identified according to their Specialized Care service levels, which are verified during the IOCs of their residences (facilities).

TN # 98-3

APPROVAL DATE SEP 16 1998 EFFECTIVE DATE 4-1-98

SUPERSEDES

TN # 96-12

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term Care Facilities

v. Total Per Diem Rate

==04/98

- (A) The total per diem for each client is the sum of the Program Component ~~(I. 3. c. iii. (5))~~ found in subsection III.G.3.c.iii. and the Agency Component ~~(I. 3. c. iv.)~~ found in subsection III.G.3.iv.
- (B) The per diem rate for a DT program, based on IOC information, is the mean of per diems for eligible and enrolled clients.

==04/98

- d. The DT program may appeal for redetermination of the rate established by ~~the Department~~ DHS/ODD within 30 days after receiving notification of the rate by submitting an application to the IDPA. If a long term care or residential facility initiates such an appeal without the concurrence of the affected DT program, the appeal will not be honored. The application must identify the basis for the appeal and provide all necessary documentation to explain and justify the basis.

==04/98

- e. ~~The Department~~ DHS/ODD shall make an advance payment for DT services to a facility that contracts for such services with a certified DT program. The amount of the advance payment shall be equal to the unadjusted reimbursement the facility would receive for two months of service for the number of recipients enrolled in DT. The facility shall use this advance payment to provide advance payment(s) to the DT program(s) serving its recipients. These funds must be passed through to the DT program(s) within ten (10) working days of facility receipt of the advance payment from ~~the Department~~ DHS/ODD, as specified in ~~subsection I. 3. b.~~ subsection III.G.3.b. Facilities eligible to receive an advance payment must contract with a certified DT program which meets one of the following criteria:
- i. The DT agency is a newly certified program; or

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERSEDES

TN # 93-1

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

- ii. The DT agency experiences a significant increase in enrollment which results in:

- (A) a 20% client enrollment within one month; or  
(B) increased costs due to the need for a new setting.

==04/98

The LTC or residential facility must submit a written request for a two-month advance payment to ~~the Bureau of Developmental Disability Services~~ DHS/ODD. The letter must state the reason for the advance, the clients involved (include the Public Aid ID numbers), and the DT rate of each client.

==04/98

~~The Department~~ DHS/ODD shall begin recovering the payment three months after the advance is issued. The recoupment will be made in six equal installments via credit applied to the following six months of service. In the event that the facility terminates its contract for DT services before the last month of recoupment, ~~the Department~~ DHS/ODD shall recover the entire amount of the advance payment in the month of contract termination, from facility claims processed by ~~the Department~~ DHS/ODD. If the amount of such claims is insufficient for recovery of the advance payment balance due, or if such claims have been processed by ~~the Department's~~ DHS/ODD's payment system prior to contract termination, the advance payment balance shall become immediately due upon contract termination, payable by check to ~~the Illinois Department of Public Aid~~ DHS/ODD.

f. Effective Dates of Reimbursement for Developmental Training

- i. The effective date of reimbursement to the facility for developmental training will be the later of the dates when the following criteria have been met:

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERSEDES

TN # 90-7

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

- ==04/98 (A) receipt by ~~the Department~~ DHS/ODD of an addendum to the provider agreement containing the assurances specified in ~~Department DPA~~ administrative rules, and
- ==04/98 (B) receipt by ~~the Department~~ DHS/ODD of a completed Enrollment Form. The Enrollment Form shall specify, in accordance with instructions, the effective date of each recipient's enrollment. The Enrollment Form for each recipient must be signed by a representative of both the facility and the DT program.
- ==04/98 ii. In no event shall ~~the Department~~ DHS/ODD provide reimbursement for developmental training services provided by a DT Program prior to the effective date of the recipient's enrollment.
- 07/97 iii. Notwithstanding the provisions set forth for reimbursement of long term care services, effective January 18, 1994, reimbursement rates for DT providers will remain at the levels in effect on January 18, 1994, except that DT provider rates shall be increased by three percent for services provided on or after July 1, 1996.

## 4. Certification of Developmental Training

- ==04/98 a. In order for a facility to qualify for reimbursement for developmental training services, it must execute a written agreement with a DT Program that is certified by ~~the Department of Mental Health and Developmental Disabilities (DMHDD)~~ DHS/ODD in accordance with the standards set by that Department.
- ==04/98 b. After January 1, 1991, if ~~DMHDD~~ DHS/ODD has not adopted administrative rules establishing certification standards or does not have a process to enforce such standards, reimbursement will only be made for services provided by DT programs which are accredited by one of the following agencies:
- i. Commission on Accreditation of Rehabilitation Facilities (CARF);

TN # 98-3APPROVAL DATE SEP 16 1998EFFECTIVE DATE 4-1-98

SUPERSEDES

TN # 97-10

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

ii. Accreditation Council for Services for Developmentally  
Disabled Persons (ACDD); and

iii. National Accreditation Council (Blind).

==04/98

c. When administrative rules establishing certification standards are adopted, ~~DMHDD~~ DHS/ODD will determine if DT programs accredited according to the foregoing subsection (b) must also be certified under ~~DMHDD's~~ DHS/ODD rules. If it is determined that accredited DT programs must undergo certification, a time line for the certification process will be provided by ~~DMHDD~~ DHS/ODD.

==04/98

d. If ~~DMHDD~~ DHS/ODD determines that accredited DT programs do not require certification following adoption of the administrative rules, ~~the Department~~ DHS/ODD will continue providing reimbursement for services provided by the accredited programs.

5. Terms of Assurances and Contracts

==04/98

A facility requesting reimbursement for developmental training services provided by a ~~DMHDD~~ DHS/ODD certified DT Program must submit to ~~the Department of Public Aid~~ DPA an addendum to its provider agreement containing an assurance that the facility has a signed agreement with a certified Developmental Training Program. This agreement must specify at a minimum:

a. the duration of the agreement;

b. conditions under which the agreement may be terminated prematurely by either party;

==04/98

c. the number of hours per day, consistent with ~~DMHDD~~ DHS/ODD certification requirements, that developmental training will be provided exclusive of transportation time and meal time;

TN # 98-3

APPROVAL DATE

SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERCEDES

TN # 90-7

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term Care Facilities

- d. a schedule of the days that developmental training will be provided;
- e. the responsibilities of both parties regarding the joint planning and delivery of services and the sharing of progress notes; and
- f. the understandings agreed to by both parties regarding the documentation of attendance.

H. Rate Determination - State-Operated Facilities

1. General

==04/98 State-operated facilities differ from other facilities because they are the institution of last resort and correspondingly have the most severely disabled population in the entire State treatment system. The State-operated institutions provide ~~SNF, ICF~~ nursing facility and ICF-MR services.

2. Base Period Cost

Prospective rates for State-operated institutions will be determined from cost reports for the State's fiscal year ending one year prior to the rate year which begins each July 1. (For example, the FY 87 rates will be determined from FY 85 cost reports.) The State will follow the same allowable cost policies as used for privately owned long term care facilities.

07/92 3. Cost Projections

The base period allowable total cost will be divided by actual patient days in that period to obtain the base period per diem cost for each institution. This per diem cost will be projected from the mid-point of the base year to the mid-point of the rate year using the inflation factors used in setting private facilities' rates plus a four fiscal year weighted average factor calculated annually by the State based on a comparison of these same fiscal years' Projected and Retrospectively Adjusted Rates. This four fiscal year period shall include the base year and the three fiscal years immediately preceding the base year. This rate is defined as the Prospective Rate.

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERCEDES

TN # 92-26

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term Care Facilities

4. Retrospectively Adjusted Rate

- a. After the cost reports have been filed for each fiscal year, a Retrospectively Adjusted Rate will be determined. This will be calculated by dividing total allowable cost for that rate year by the total patient census for that year.
- b. The Retrospectively Adjusted Rate will become the final payment rate for that fiscal year.

==04/98 5. For any changes of ownership on or after July 1, 1984, the cost basis of any asset shall be the lesser of the net book value of such asset of the first owner of record on or after July 18, 1984, or the acquisition cost of such asset to the new owner. Net book value is the asset cost less accumulated depreciation as reported on annual cost reports to ~~the~~ Department DPA. The cost basis of the asset will be used to determine reimbursement for depreciation expense and interest cost.

6. Analysis and Audits

- a. All cost reports will be analyzed within six months of their submission. Where this initial analysis indicates the need for further audit, such audit will be undertaken.
- b. On-site audits will be made to verify the accuracy and reasonableness of reported costs to verify that only allowable costs are reported, and that expenses are properly attributed to allowable costs.
- c. Audit standards contained in HIM-16 will be adopted by the State.
- d. During the three years ending December 1980, at least one-third of the facilities participating will receive on-site audits of their financial and statistical records each year. All providers participating continuously during this three year period will be audited at least once during those three years.

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERCEDES

TN # 90-7

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

- e. For the years beginning January 1, 1981, and later, on-site audits of the financial and statistical records of at least 15 percent of participating facilities will be conducted, including at least five percent selected on a random sample basis.
- f. Overpayments discovered as a result of audits will be accounted for on the HCFA-64 report, no later than 60 days after the discovery of the overpayment.
- g. After the completion of each on-site audit, a report of the Audit Findings shall be retained by the State agency for a period of not less than three years following the date of submission of the report.

==04/98

- i. If the facility is not satisfied with the results of the first level review, it may request a second level review. To do so, the facility must submit a written request to the address stated in the Bureau Chief's letter, within ten (10) calendar days of receipt of the Chief's notification. For purposes of this subsection, "submit" means either the date the request is mailed, as evidenced by a United States mail postmark, or the date on which the request is hand delivered to ~~the Department~~ DPA at the address specified in the assessor's notification.
- ii. The written request should contain a full explanation of why the facility believes the Bureau Chief's determinations are incorrect.
- iii. The Administrator of the Division of Medical Programs will review the Bureau Chief's determinations, the assessor's findings, the facility's request for first level review and the facility's request for second level review, to determine if the Bureau Chief's determinations are correct or incorrect. Evidence that was not available to the Bureau Chief will not be considered. The Administrator will reverse the Bureau Chief's determinations only if it is demonstrated that the Chief did not consider relevant evidence or finds the Chief's determinations against the weight of the evidence.

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERCEDES

TN # 90-7



State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long Term  
Care Facilities

- iv. The Administrator will send by mail written notification to the facility of the determination of the second level review within forty-five (45) calendar days of the receipt of the facility's request for second level review. No other administrative review will be available.

I. Appeals of Rate Determinations

- ==04/98 1. Appeals of rate determinations shall be submitted in writing to ~~the Department DPA~~. All appeals submitted within 30 days of rate notification shall, if upheld, be made effective as of the beginning of the rate year. The effective date of all other upheld appeals shall be the first day of the month following the date the completed appeal was submitted.
- ==04/98 2. ~~The Department of Public Aid DPA~~ shall rule on all appeals within 120 days of the date of appeal, except that if ~~the Department DPA~~ requires additional information from the facilities. The service shall be extended until such time as the information is provided. Appeals for any rate year must be filed before the close of the said year.

TN # 98-3

APPROVAL DATE SEP 16 1998

EFFECTIVE DATE 4-1-98

SUPERCEDES

TN # 90-7

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - Reimbursement to Long  
Term Care Facilities

01/99 IV. ICF/MR Downsizing

In order to accommodate the downsizing to close or reduce bed capacity of ICF/MR facilities licensed for ICF/DD or SNF/PED Services, the following provisions will apply. These provisions only apply for facilities with 17 or more licensed beds which decrease their total licensed beds by 20% or more due to a decrease in the beds licensed as ICF/DD or SNF/PED. The reduced bed capacity must be necessary to achieve one or more of the following goals: achieve compliance with ICF/MR regulations, such as four or fewer persons per room, achieve compliance with ICF/MR regulations in an adverse action as part of a Plan of Correction approved by Department of Public Health, increase available space in order to provide active treatment services to residents; and permit the voluntary closure of a facility in order to achieve community placement to settings of size eight or fewer residents and provided sufficient funds are available to the Department of Human Services (DHS).

- A. The facility must request pre-approval for application of these provisions from the DHS Director of the Division of Disability and Behavioral Health Services (DDBHS). The written request must describe the necessity to reduce licensed bed capacity. The facility must submit a proposed timetable for the downsizing, including the projected dates of each decrease in census and the census on that date (the benchmark). Written approval may be granted if DHS determines the change will be beneficial for the ICF/DD or SNF/PED residents. If approval is granted, DHS will enter into a downsizing agreement with the facility with provisions including the downsizing plan, benchmarks, rate adjustments, and items of compliance regarding the safety and placement of residents.
- B. The reduction in the number of licensed beds must be completed within a one year period following the DDBHS Director's approval, unless a longer reduction period is approved by the DDBHS Director at the onset of the plan. Not less than 90 days prior to the projected end date of the downsizing plan the facility must make application to the Department of Public Health (DPH) for a formal licensure change to reflect the number of licensed beds, if any, to remain at the conclusion of the downsizing plan. The effective date of the licensed bed change will be the actual date the final resident benchmark census objective is reached.

MAY 1 9 1999

TN # 99-1 APPROVAL DATE \_\_\_\_\_ EFFECTIVE DATE 1-1-99

SUPERSEDES

TN # \_\_\_\_\_